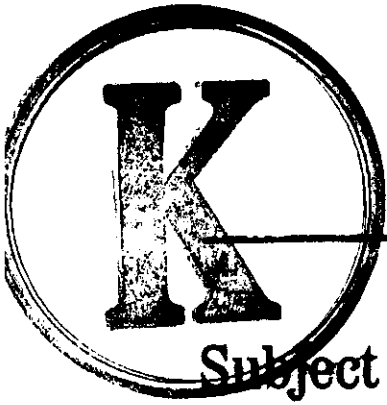


K.S.R.
12/15.

19. 41

File No. O. Petrol / 41



Legal DEPARTMENT

A BRANCH

Subject:—

Opinions under the
Petroleum Act, 1934

27

File No. A - Petrol / 41

Std. Sectt. Slip 24 B c.

414-A

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1.	<u>C. No. 8824</u> <u>12-10-41.</u>	<u>Petroleum Act, 1934-</u> <u>Section 8 (a)</u> Whether there is any legal objection to mixing of Petrol with Kerosene for running cars.	1-2.
2.	<u>P. I. No. 11174</u> <u>dt. 3-12-41.</u> <u>C. No. 10532</u> <u>dt. 10-12-41.</u>	<u>Views of Collection of</u> <u>salt Revenue regarding</u> <u>definition of "Motor</u> <u>Opium"</u>	3-8

M. V. V.
31/4.

915

K. S. R.

915.

Office of the R.L.A.

There is no statutory provision which prohibits the running of motor cars on kerosene or on a mixture of kerosene and petrol. The Bombay Sales Tax Act, 1939, provides for the levy of a tax on the sale of motor spirit which includes petrol. The tax has to be paid to Government under the Act and the Bombay Motor Spirit Sales Tax Rules, 1939, made under it, by the sellers of the petrol. There is nothing in the Act or in the rules which prevents the owner of a car from mixing kerosene with the petrol purchased by him and running his car on such mixture. It appears that the expression 'petroleum' as defined in Section 3 (a) of the Petroleum Act, 1934, would include a mixture of petrol and kerosene; but mixing of petrol and kerosene for running a motor car will not amount to refining or blending of ~~petroleum~~ petroleum within the meaning of section 5 (1) of the Act. The mixing of petrol with kerosene for running cars would therefore appear free from legal objection.

Ed. P.N.M.

10/10.

Remembrancer of Legal Affairs.

U. R. to H. D. No. 8394 dated the 11th October 1961.

M.V.V.
81/4.

the grounds of loss of revenue and of damage to engines, it also seems desirable to discourage the adaptation of motor engines so that they run on kerosene oil.

Some of these systems are perhaps efficient, but others seem likely to fail after short periods of operation, after shortening the lives of the engine to which they have been applied. Most of these systems consist of fixing an extra fuel tank and a carburettor. The car is started on petrol and after it has warmed up, the driver switches over to his kerosene supply.

10. I have not been able to find out why the definition of "motor spirit" in clause 2 (f) of the Motor Spirit Rationing Order, is not so comprehensive as that in section 2 of the Motor Spirit (Duties) Act, 1917. If the definition in the latter Act ~~as~~ could be incorporated in the former order, it would simplify the task of discouraging the running of motor cars on kerosene. Apparently kerosene is an "inflammable hydro-carbon which is capable of being used for providing reasonably efficient motive power for any form of motor vehicle". But with a less comprehensive definition in the Motor Spirit Rationing Order, 1941, it is administratively difficult to collect duty at the higher rate on kerosene used as motor fuel.

11. If it is not possible to alter the definition of "motor spirit" in the Motor Spirit Rationing Order, 1941, as I have suggested, the imposition of a special central excise on motor combustion systems designed to burn kerosene might have a slight deterrent effect. Such an excise duty would produce little revenue, but would, like the excise duty on mechanical lighters, protect the revenue from another important excise duty. If, at the same time, the Provincial Governments could be induced to apply a heavier rate of taxation to motor vehicles propelled wholly or in part by kerosene, the danger to

the revenue ~~xx~~ from the excise and customs duties on motor spirit and to the available supply of motor engines, would probably disappear very quickly.

12. Thus my proposals are that, in order to discourage the use of kerosene as motor fuel.

- (i) a press communique may issue, stating the legal position as it stands, or
- (ii) if a press communique is not desirable, I may be allowed to give publicity locally to this position, and
- (iii) the definition of "motor spirit" in the motor Spirit Rationing Order, 1941, may be widened so that it corresponds with that in the Motor Spirit (Duties) Act, 1917, and
- (iv) the question of imposing a prohibitive central excise duty on fuel systems for motor vehicles designed to burn kerosene may be examined, along with the question of inviting Provincial Governments to impose extra taxation on motor vehicles propelled wholly or in part by kerosene.

I have the honour to be,
Sir,
Your most obedient servant,
Sd/- H. E. St. G. McClenaghan,
Collector of Salt Revenue,
Bombay.

Enclosure:- Nil.

Copy forwarded with compliments for information to the

Collector of Customs, Bombay
Commissioner of Police, Bombay,
Collector of Bombay,
Commissioner of Excise, Bombay,

with the request that any further correspondence on the subject of the preparation of motor fuels from ~~xx~~ the

8.

point of view of the central excise on motor spirit may be forwarded to me for disposal.

Sd/- H.E. St. G. McClenaghan,
Collector of Salt Revenue,
Bombay.

Enclosure:- Nil.

Copies forwarded with compliments for information to the Director of Inspection, Customs and Central Excises, New Delhi.

Mr. T.T. Kothswalla, M.A., Provincial Rationing Authority, Bombay Province, Secretariat, Bombay.

Mr. E. Sheehy, Area Rationing Authority, Bombay.

Sd/-
Collector of Salt Revenue,
Bombay

Enclosure:- Nil.

M. V. V.
81/4.

7.

R.I. No. 11174 L.D.
3-13-41.

Submitted for perusal with reference to
R.I. A.S. No. 8894 dated 11-10-41.

A { 2. The papers may be seen and
{ returned. The opinions expressed in the
letter of Collector of Salt Revenue Bombay
(pp. 1 - 7 ante) are his personal opinions
and not authoritative legal opinions.

B (A copy may however, if approval, be kept

Sd.
4/12/41
A. S.

A & B may be done.

Sd.
25/12
A. L. R.

A & B may be done.

(R.I.A.'s No. 8894 dated 11-10-41
did not contain any reference to the motor
spirits (Duties) Act, 1917, nor to any
liability to duty leviable there under).

Sd.
6-12-41

Seen and returned.

R.I.A. Sd. 6/12.

U.P. to H.D. No. 10832, dated 16-12-1941.

M.V.V.
21/4.